

EXHIBIT 7

Message

From: CHOO Chiau Beng [Keppel CEO] [/O=KEPPEL GROUP/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=CHIAUBENG.CHO01]
Sent: 10/1/2011 11:27:58 AM
To: LEE Boon Yang [Keppel Chairman] [boonyang.lee@kepcorp.com]
CC: TEO Soon Hoe [Keppel GFD] [soonhoe.teo@kepcorp.com]; TONG Chong Heong [KOM-CEO] [chongheong.tong@keppelom.com]; Yew Yuen CHOW [KOM-USA] [yewyuen.chow@keppelom-usa.com]; Michael CHIA [KOM-MD] [michael.chia@keppelom.com]
Subject: Re: Updates on Brazil

Yes, we have to be prepared and also find out more. Engevix may be for sale as JP Morgan indicates. Barusco is currently GM Engineering of Petrobras and he knows us well.

Sent from Blackberry Wireless Handheld

From: LEE Boon Yang [Keppel Chairman]
To: CHOO Chiau Beng [Keppel CEO]
Sent: Mon Jan 10 18:56:57 2011
Subject: Re: Updates on Brazil

Noted. If they meet and settle on 19 Jan, they may announce soon after.

This means that KBF would come across as not winning anything in this 7 Drillship package.

When you make whole result announcement on 25 Jan, be prepared for questions on the impact and Keppel's response to this failure to secure a share of the order.

Who actually owns SETE Enterprise. Petrobras only own 5 to 10%. Who are the other private entities that will own the rest of the company.

Has KOM done business with people in SETE before. Do we have any traction with Barusco who is going to head SETE. We have to consider the long term impact of Jurong going into partnership with Engevix or some other Brazilian outfits. It could have very negative impact on KBF and seriously erode Keppel's current advantage. We have to think about how to defend our position. Can we take a more aggressive approach during the direct negotiation for the balance of 21 drilling units.

These are my initial thoughts on this update.

From: CHOO Chiau Beng [Keppel CEO]
To: LEE Boon Yang [Keppel Chairman]; TEO Soon Hoe [Keppel GFD]
Sent: Mon Jan 10 17:26:05 2011
Subject: FW: Updates on Brazil

FYI. Confidential infor at the moment. ChiauBeng

From: Yew Yuen CHOW [KOM-USA]
Sent: Monday, January 10, 2011 6:44 AM
To: CHOO Chiau Beng [Keppel CEO]; TONG Chong Heong [KOM-CEO]; LAI Ching Chuan [KCL-CDP]; Michael CHIA [KCL-CDP]; WONG Kok Seng [KFE-MD]; Nelson YEO [KSL-MD]
Cc: Zwi
Subject: Updates on Brazil

Updates on Brazil.

1. 28 Drillships Bid & 2 DRUs Bid

- a) Petrobras Board will meet on 19 Jan, 2011 to approve the award of 7 Drillships to EAS at USD 664.286m each with a total value of USD 4,650m, and will cancel the 2 DRUs Bid. By these actions, Petrobras would have officially concluded the bidding process of these 2 bids.

- b) At the same time, Petrobras Board will assign to SETE Enterprise (Austrian based Company), the authority to manage the contracting aspect for the 7 Drillships award to EAS and the remaining 21 units of Drilling units. They can be Semis and/or Drillships.
- c) Petrobras will take a 5% to 10% stake in SETE Enterprise and the remaining stake will be taken up by private entities. Barusco is expected to be the President of SETE Enterprise.
- d) SETE Enterprise will be inviting the remaining 4 qualifiers in the order of ranking, namely second place, Galvao Alusa with a bid price of USD 668.43m/unit; third place, Keppel at USD 738.88m/unit; fourth place, Jurong at USD 739.80m/unit and, lastly, fifth place, Odebrecht/OAS/UTC consortium at USD 758.73m/unit for direct negotiation for the remaining 21 Drilling units.
- e) Petrobras, through SETE Enterprise, would like to see the following award combinations:
 - 1. Galvao Alusa (virtual yard in Quissama, Rio de Janeiro state) – 6 units Drillship of Gusto Design at USD 668.43m/unit
 - 2. Keppel - 4 units Semis of DTG DSS 38E design at between USD 715m to 720m/unit
 - 3. Jurong/(Engevix?) (virtual yard in Espirit Santo state) - 4 units Drillship of LMG design at between USD 690m to 700m/unit
 - 4. Odebrecht/OAS/UTC consortium (virtual yard in Bahai State) - 6 units Drillship of LMG design at between USD 690m to 700m/ unit
- f) There is 1 more unit to be accounted for to make up to 28 units. That unit will go to the entity in the direct negotiation category, who delivers the first unit in the earliest time frame. This is supposedly designed to give Keppel an edge over the others because the rest of the competitors do not yet have fabrication yards.
- g) It is of interest to note that Jurong is being pushed by Petrobras to team up with Engevix. (See Relationship between Jurong/Engevix in the later part of the report)
- h) Duque said that it will take another 60 days from 20 Jan, 2011, to finalize and award the contracts. And therefore, the qualifiers will be asked shortly to extend the bid offers, which otherwise would expire on 20 Jan, 2011, by another 60 days.
- i) SETE Enterprise will also be inviting Drilling contractors, both international and domestic, to bid for these 28 DRUs on the basis of a 10 years charter with option to buy. Successful bidders are required to take a 15% stake in the equity of the unit. The financial structure for each DRU is 20% equity and 80% debt financing. This will mean that the successful Drilling contractor for each unit will have to provide as equity 3% (ie. 15% of 20%) of the total project cost. Since it is a multi-years project with cost escalation provision in the contract, the total project cost which include project management, interests charges and fees, etc..for each DRU could be between USD 900m to USD 1,000m/ unit.

2. WTorres

- a) WTorres is in financial difficulties. They have debts of R 3,200m of which R 340m was to be repaid on Dec 31, 2010. Available cash in hand is only R 34m. The source of this information is obtained by Zwi from sources within Petrobras and from the public domain.
- b) Rating agency, FITCH, has downgraded WTorres from BBB+ to BBB-. WTorres' plan for an IPO has failed for the 3rd time. The last attempt at IPO, WTorres was expecting a market valuation of R 1,000m but got interest at only R 400m. This information again is obtained by Zwi through the same sources. It would be wise for CDD to verify them.
- c) WTorres has also been trying to sell some of the assets in the real estate segment of its business. For example, the Santander Building in Sao Paulo was sold last year to raise funds.
- d) The 20% stake of WTorres in ERG 1 (Petrobras hold the remaining 80% for a period of 10 years) and the 100% stake in the land of ERG 2 & 3 were sold to Engevix and some Brazilian Government Funds last year for R 420m. After the sale, WTorres has not further interest in ERG.

3. Engevix

- a) Petrobras awarded Engevix the contract to build 8 units of FPSO Hulls for USD 395m/unit with a total contract value of USD 3,160m. All units are to be delivered within 6 years. The price and delivery times of the award are generally considered by industry insiders to be unrealistic and impossible to achieve. Many see this as a political decision and will most likely require a political solution later on.

- b) Engevix also bid for the 7 Drillships but was disqualified. It intended to file for appeal but was instructed by Petrobras not to appeal but wait for further development of the bid process. It seems that the move by Petrobras to get Jurong to team up with Engevix may be result of that.
- c) Engevix's political support comes from Jose Dirceu, former Chief of Cabinet of President Lula during his first term. He resigned from the cabinet because of some financial scandals and went into the consultancy and lobbying business. He was replaced by Dilma who was at that time the minister for Energy and Mining. We understand that Jose Dirceu is also from PT and that his relationship with Lula and Dilma remains very strong. His support for Engevix is probably to secure funding for the PT party, to support Dilma's home state of Rio Grande Sul (Jobs creation and economic development) and also for himself.

4. Engevix and Jurong

- a) In 2008, Jurong engaged Engevix to do the engineering and layouts of the Espirit Santo shipyard. In that sense, they may have a relationship from there. We understand that Jurong was told by Petrobras that if they were to be considered for an award they need to team up with Engevix. Since there is really no rationale for Jurong to be the initiator of such a move, we believe that Petrobras must have a hand in it....perhaps, pushed by Jose Dirceu.
- b) Whether Engevix teaming up with Jurong is just for this project of 4 Drillships or for a much boarder base collaboration is unknown at this moment. We believe that it will depend very much on the kind of mutual benefits that both sides can derive from such a collaboration. Engevix can provide the political support through Jose Dirceu and Jurong can provide the technology and operational experience. It could also be that Engevix may need help from Jurong to build those 8 FPSO hulls in ERG. We believe that the discussion/negotiation between Jurong and Engevix is still at an early stage but given that they have less than 2 month to reach an arrangement. If it is going to happen, it will move fast. We need to monitor this development very closely.

All for now.

Regards,
yy

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